GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3048
ANSWERED ON:11.05.2006
LOSSES TO PSUS
Manvendra Singh Shri

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether all the Public Sector Undertakings owned by the Central and State Government in Uttar Pradesh have been incurring heavy losses and are on the verge of closure:

(b) if so, the reasons therefor ; and

(c) the remedial measures taken or proposed to be taken by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDURIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a): As per Public Enterprises Survey, 2004-05 which was laid in Lok Sabha on 13.03.2006 and is a published document, there are 12 Central Public Sector Enterprises (CPSEs) in the State of Uttar Pradesh on the basis of location of their Registered Office. Their profit/loss position as on 31.03.2005 is given in Annexure.

(b) : The reasons for losses of loss making CPSEs are enterprise specific. However, some of the reasons are: old and obsolete plant and machinery, outdated technology, resource crunch, low capacity utilization, excess manpower, heavy interest burden, weak marketing strategies, stiff competition, reluctance of financial institutions to provide funds for revival/rehabilitation, high input cost etc.

(c): The Government in December, 2004 has set up a Board for Reconstruction of Public Sector Enterprises (BRPSE) for consideration of restructuring/revival of Central Public Sector Enterprises (CPSEs). Concerned administrative Ministries/Departments prepare enterprise specific revival packages for consideration of BRPSE. The administrative Ministries/Departments are responsible for obtaining the approval of the competent authority, based on the recommendations of the BRPSE. Revival package for Bharat Pumps & Compressors Ltd., British India Corporation Ltd. and National Textiles Corporation Ltd. & its subsidiaries has been recommended by BRPSE. Government has approved package for revival of British India Corporation Ltd.; and National Textiles Corporation Ltd. & its subsidiaries.